SUMMARIES OF GROUP DISCUSSION

Subject I
Farmers’ Organisations

Rapporteur: M.V. Nadkarni*

Farmer’s organisations were broadly classified into two types for convenience of discussion: (a) agitation oriented organisations which are mainly political in nature and (b) organisations engaged in directly economic activities like production, trade, credit and management of irrigation and of common property resources (CPRs). The latter were broadly termed as constructive organisations which covered not only co-operatives but also non-formal groups like village committees. Though the two types were separately discussed, the potential for linkage between the two was not ignored. A separate treatment of the two types was possible because as a matter of fact the two types remained separate, with the former showing no interest in organising farmers in directly economic activities.

The almost exclusive concern of political organisations of farmers with the price issue to the neglect of other roles like increasing the efficiency of farming and allied activities, education and rural development, was discussed at length. It was noted that farmer’s organisations in other countries gave more importance to the educative role than in India. It was felt that in India this was due probably to the pervasive role played by the Government which inhibited the constructive role by non-government organisations. The general feeling in the country including that of farmers seemed to be that playing educative and such other roles has been the exclusive domain of the Government.

Even about the limited interest of farmers’ organisations on the price issue, it was noted that there was need for a greater clarity for their stand. For example, how exactly do they want the cost based prices to be calculated and implemented? They are sceptical about co-operative marketing, public distribution and private trade all at the same time and only want the Government to guarantee prices which they claim to be reasonable. They have not given thought to alternative forms of agricultural marketing institutions that impart greater certainty on the price front and give higher share of the consumer rupee to farmers. One wonders if at least they are aware of the extent of subsidy on farm inputs. In sum, they have failed to come up with clear alternatives in institutions and strategies of economic development that can ensure greater justice to the rural sector.

There was also a view that it would be wrong to say that farmers’ organisations took a narrow view of their problem only because of their focus on the price issue. Price is only a rallying point to mobilise farmers. They believed that by taking up the price issue they would turn the table against the interests which they believed to be exploitive of the rural sector.

There was considerable discussion on the class bias of farmers’ organisations and particularly the implications of focusing on the price issue for the weaker sections within the rural sector. Many participants felt that they represented the interests of rich and middle farmers and not of those who are net purchasers of food in the market. But this view was opposed by a few as being rather too narrow. Though in the short-term the price issue may seem to be producer oriented, in the long run it has the potential of lifting the supply position

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to a higher level and thus of helping the consumer. Besides, unless prices were improved, thus increasing the profitability of farming, there was no way of helping the rural labour. Wages improved only when labour productivity improved and profits increased. Nevertheless, it was felt by others that farmers' organisations on the price issue and issues concerning surplus farmers alone would establish a monopoly in the product market increasing the product price, and monopsony in the labour market having a depressive impact on wage rates. There was hardly any prospect of farmers' organisations taking up the cause of the weaker sections within the rural sector. The rural power structure being what it is, things cannot be otherwise.

Many in the Group felt that there was a need for separate organisations of marginal farmers and rural labour to improve their bargaining position vis-a-vis the rural elite. However, they also felt that this was not an easy matter, since they depended on the elite for consumer credit and small perks which had to be personally negotiated with the landlords. It was felt that at least left oriented political parties should take up their cause. These political parties played an important role in mobilising tenants in the past and to some extent also the rural labour. However, of late they seemed to be tending to take up the cause of farmers more than that of rural labour and marginal farmers.

Even regarding the price issue, it was felt that farmers' organisations have not taken up the cause of farmers growing coarse cereals. Their activities were confined to a narrow base even among farmers particularly if one took into account regional differences in the spread of these organisations.

The nature of leadership and internal working of farmers' organisation also came up for some discussion. It was felt that there was need for a more open and democratic functioning. Discussing the problem of organisations engaged directly in economic activities particularly the co-operatives, it was felt that marketing has been their Achilles' heel. Their success and failure depended on their success on the marketing front. It was felt by a few that private trade often sabotaged the co-operatives but others thought that we cannot put all the blame on the private trade. A major weakness of co-operative societies was that they became like government organisations, with costly overheads including bureaucracy, which raised their costs very much. On the other hand, the costs of private trade were much lower giving it a clear edge over the co-operatives. Converting co-operatives into a monopoly would be extremely undesirable, even if it might give them some economies of scale; it would only make them more inefficient and costly. Nevertheless, there was need for co-operatives because only their presence could help to tame the private traders too and prevent unfair practices by them. The necessity of both to co-exist was emphasised with a view to offering mutual competition which can improve the efficiency of both.

Co-operatives could probably spread their overhead costs if they increased the scale of their activities, particularly through vertical integration. Processing of foodgrains and fruit could be taken up profitably by them.

There was no clear consensus on whether the co-operatives have actually helped the weak particularly in overcoming the non-viability of tiny holdings and tiny economic enterprises. The Group highlighted several examples of success but also examples of their being taken over or dominated by the rural elite. Nevertheless, there was no prospect of non-viable enterprises becoming viable unless they were organised in the form of co-operatives.

In particular, it was stressed that there was need for a separate organisation of share-croppers both to improve their bargaining power vis-a-vis landlords and also to improve the viability of their small holdings through co-operative action. Since there was
a possibility of infiltration by dominant class tenants into such organisations, the need was stressed to limit their coverage only to small holders.

It was also felt that there was a dearth of organisations to take up rural welfare activities, to improve rural amenities, to regenerate CPRs, etc. The participants pointed out some glowing examples, such as that of non-formal groups in Andhra Pradesh which managed community irrigation resources in an equitable and sustainable way. There was need to throw light on these success stories and see that their replication could be encouraged.

A number of research issues and questions were identified by the Group probing into which could be of help to farmers as well as rural areas in general including the weak. They are listed as follows:

(i) What are the factors that determine the success and spread of farmers' organisations either for political agitation or constructive activities? How effective are they at present? What are the criteria of evaluating their success and effectiveness?

(ii) What is the impact and implications of the organisations for weaker sections both in the rural sector and urban sector? What is their impact on the pricing process? Do they really lead to monopoly in the product market to the detriment of poor consumers? How can the interests of the poor consumer be protected? Similarly, how can the interests of rural labour be protected?

(iii) What is the impact of farmers' organisations of both types respectively on rural development and on the regional as well as national economy?

(iv) What is the nature of interaction between agitation oriented organisations and the Government? Is there a countervailing organisation which can help the Government to take a balanced stand amidst conflicting interests?

(v) What is the nature of the functioning of these organisations? Is it democratic? What is the nature of decision-making process? Is it possible to develop a theory of farmers' organisations in the context of India?

(vi) What legislative action is needed to provide the necessary legal framework for a better functioning of these organisations? (It was felt that just as the law provided for a formal recognition to trade unions to distinguish the genuine from the fake, there was need for a similar provision in respect of farmers' organisations. It should not be left merely to organisations to prove their own credentials only through competition in agitation.)

(vii) Role of non-formal traditional groups particularly for collective management of natural resources: How do they ensure equitable and sustainable distribution and management? Why are there no such groups in other areas? What factors promote them? What can formal organisations learn from their experience? (They seem to be much less costly and more effective than the formal organisations like cooperatives.)
Subject II
Agro-Climatic Zonal Planning and Regional Development

Rapporteur: A.J. Singh*

The Group initiated discussion on the subject with the keynote paper on agro-climatic planning and regional development by Professor Yoginder K. Alagh, who had pioneered the concept. He illustrated the vitality of this approach as a method of agricultural planning with the help of plans for three typical regions - a very backward plateau region, a hill region and a river delta. The Group then discussed at length the criteria for agro-climatic regionalisation. The consensus which emerged out of the deliberations was that such zones be delineated on the basis of relatively stable agro-climatic features like altitude, soil type, rainfall, temperature, water resources, etc. A farming system approach at the disaggregated level rather than the traditional crop production approach was suggested. In this approach an overall development profile of each region has to be formulated through an optimal mix of land stock management, crop production, animal husbandry, agriculture, horticulture, forestry and agro-processing activities. The experiment of the Special Foodgrains Production Programme implemented in 169 selected districts during the last two years of the Seventh Plan had provided useful insights for this approach and established its relevance for long-term planning. The Planning Commission had, therefore, delineated the country into 15 major agro-climatic regions as the basis for agricultural planning in the Eighth Plan. It was pointed out that the National Bureau of Soil Survey and Land Use Planning had divided India into 21 regions on the basis of physiography, soils, bio-climatic types and length of the growing period and had further sub-divided it into 54 agro-ecological sub-zones. However, it was argued that the Planning Commission had prepared a 73-sub-zonal classification which was better from the administrative point of view.

As regards the technical considerations which should constitute the base for regionalisation, it was emphasised that the mechanical application of quantitative tools for forming zones might result in clusters which lack geographical contiguity. So the zones should be modified to make them contiguous homogeneous units. Further, the question whether agro-climatic zones could be made to coincide with administrative units was also debated at length. The Group felt that agro-climatic zones be formed within the constraint of administrative boundaries of the respective states/union territories and the zones be split up into sub-zones and if any sub-zone overlaps with some other state/union territory, the agro-climatic planning should be done independently by the concerned state. This would help overcome the problem of overlapping of zones/sub-zones.

The Group also discussed the problem of inter-state and intra-state disparities in agricultural growth. It was recognised that there were vast regional disparities in agricultural growth and that the extent of disparities had been increasing over time. The main reasons for differentials in agricultural growth were identified to be irrigation, high-yielding varieties, fertiliser, electricity consumption, mechanisation, etc.

The Group also explored the need for working out the production potentials of different zones/sub-zones. The need for preliminary studies for land and water management at zonal and sub-zonal levels was pin-pointed. In this connection, the useful effort made by Indian Space Research Organisation (ISRO) in preparing land use maps was highlighted.

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It was generally agreed that production potentials may be worked out on the basis of the difference between the existing and potential levels at the recommended and demonstration levels of technology. The need to exploit experimental data generated under different research projects in the State Agricultural Universities was also stressed as these data were supposed to be more accurate representation of the potentials. There was also a need to identify the prospects for development of horticulture, forestry, fisheries, sericulture and mushroom growing in different regions. The realisation of the production potentials would be incumbent upon development of the necessary supporting infrastructure. It was noted that regions with better agro-climatic resource endowment but low actual productivity offered the maximum potential for growth.

The Group also focused on the constraints to realisation of production potentials. The main constraints identified were those of land and water management, biological, socio-economic, infrastructural and institutional. Besides, the constraints of lack of education particularly among the female population in the tribal areas and input delivery and marketing and processing infrastructure were also highlighted. Among all the constraints, credit constraint was identified to be the most crucial. In view of the resource crunch being faced by the government, the wisdom of the loan-waiver scheme was questioned. It was felt that such schemes affected adversely the financial health and soundness of the banking sector. It was also noted that the effective cost of agricultural credit provided by institutional agencies was in some cases higher than the formal cost. So these agencies would need to improve their operational efficiency.

The Group also emphasised the need for assessing the extent of risk involved in different crop and allied enterprises in different regions as a guide to agro-climatic planning.

In order to implement agro-climatic zonal planning, the need for a massive land and water development strategy combined with an optimal crop-mix and technology backed by economic support to make this strategy effective was highlighted. In this connection, the need to formulate location-specific policies in regard to (a) land reclamation, (b) soil conservation, (c) water management, (d) flood control, (e) forestry, horticulture and fisheries were emphasised. The Group also addressed itself to the sustainability issues in agriculture and stressed the need for diversification. However, the shifts in cropping pattern in such over-specialised regions like the Punjab were possible only if the necessary marketing infrastructure could be created for the alternate crops. The Group welcomed the liberalisation in the grant of licences for the setting up of agro-processing industry which could stimulate shifts in cropping patterns and foster diversification. It also felt the need to encourage selfless voluntary leadership as in the case of Sukhomajri Project. The need for a rational tariff policy for agriculture was stressed as it was noted that the cost of drip irrigation which amounted to about Rs 10,000 in the international market was three times higher in India at Rs 30,000.

The discussion also focused on the relevance and feasibility of differential pricing of outputs and inputs and it was felt that differentiation in prices over regions or size categories of farms was neither practicable nor economically justifiable. The Group also emphasised the need for integrating zonal with the national plans so as to match supplies with demand.

The Group welcomed the change in outlook for planning for agriculture in a decentralised manner from the earlier approach of central planning. It was noted that the sectoral priorities within agriculture need to be determined separately for each region keeping in view the local region-specific requirements. It was argued that the budgetary requirement involved in the implementation of agro-climatic zonal planning should not ordinarily exceed 20 per cent of the existing allocations at constant prices in view of resource constraints being faced by the economy.
Subject III
Case Studies of Successful Farmers, Private Agencies and Co-operative Societies

Rapporteur: Tushaar Shah†

1. Introduction

It was decided to divide the discussion into three parts: (a) successful farmers, (b) private agencies and (c) co-operative societies since each topic would involve different sets of issues. However, it was not possible to have a full-fledged discussion on topic (b) due to lack of time.

The discussion on the first topic was to address two basic issues: (a) whom do we call a successful farmer? and (b) how do we go about identifying their main characteristics/features, practices, etc., which we would like to replicate. A good deal of time was spent on the first set of issues. The keynote paper provided a starting point for discussions. It was suggested that high net profit coupled with high yields could be an appropriate indicator. In addition, capital accumulation in farming, investment in children’s education and a decent quality of life could be other criteria. This line of discussion led to ‘absolute’ criteria of performance prone to be coloured by personal worldviews and preferences.

2. Defining ‘Successful’ Farmers

Some participants, however, argued in favour of ‘relative’ criteria. Their point was that, regardless of the criterion we apply, well-performing farmers are those who are ahead of others in the village. Absolute criteria continued to be suggested nevertheless.

A third line of argument raised basic doubt about the issues being discussed themselves. One member, for instance, asked why the Group was worrying so much about identifying the characteristics of success. One answer to this was that an agricultural economist would be interested in studying successful cases because it could tell him how ‘successful’ be either ‘replicated’ or ‘scaled up’; how understanding of the factors that characterise individual success could be used to influence average performance.

3. Focusing on ‘Viable Farming Units’

This issue, however, was not resolved satisfactorily until it was agreed that the basic idea in including this topic for Conference discussion was not to study ‘outstanding’ or ‘successful’ farmers but to focus on ‘viable’ farmers defined in some sense agreeable to all. The criteria considered - reinvestment, growth, enough income to support a family - were of the ‘absolute’ type; but the main point made was that we must not be greatly exercised about what these criteria ought to be as long as they were widely shared.

It was also argued that the agricultural economists of India were deeply entrenched in the marginal-small-medium-large farmer classification, so much so that almost every research began with this way of classifying farmers. In order to be useful, the need was

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emphasised to break out of this rut by evolving different, more useful typologies of farmers. By studying 'viable farming units' under a variety of agro-climatic, resource endowment, technology mix, and enterprise mix conditions, we might be able to evolve such typologies and then focus on longer term issues facing our agricultural economy. There seemed no way current land and water resources could support a larger population than the present at a decent standard of living with any technological break-through. It was argued that we would have to think in terms of shifting some of the population from agriculture to elsewhere in the economy. If we could identify unviable farming units, then only we could think in terms of rehabilitating them somewhere else in the economy.

4. Dealing with 'Unviable Farming Units'

There was some disagreement on some of these issues. Especially, it was argued that we cannot take a static view of the viable farm size which is contingent upon several factors and contexts. But everyone agreed on the need for mechanisms to deal with unviable farms and unviable farming families. Several members argued that it would be much more appropriate to spend our energies on finding ways of making unviable farms viable than on jettisoning them to other sectors of the economy.

It was suggested that income, nutritional standards and quality of life index could provide a useful definition of a viable unit and that, across contexts, viability would be influenced by technology, resource endowments, incentives and subsidies. Many farmers may be viable at present; but if subsidies to irrigation, fertiliser, credit are withdrawn, they may not remain viable. In response to this, it was argued that this might not be so since output prices would change if input subsidies were withdrawn. It was pointed out that there was a difference between a viable farm and a viable farmer. There was some consensus that the goal of agricultural policy should be to increase the number of viable farms in the country. Some members suggested that this was possible; for example, with Pepsi coming into the Punjab, a large farmer could earn Rs 40,000 per year by additional investment and technological change. Similarly, a one-acre farm could be viable if it was used to support 4-6 dairy cattle.

5. Strategies to Increase 'Viable Farming Units'

The discussions then focused on identifying feasible strategies to transform unviable farming units into viable ones. The Pepsi experiment in the Punjab was again discussed. Strong forward and backward linkages in the form of supply of high quality seeds and technical guidance, assured market and guaranteed prices were suggested to be the hallmark of the Pepsi experiment. It was pointed out that these experiments would need to be watched closely since many private organisations with such contractual arrangements with farmers have in the past gone back on their commitments when market prices became unfavourable.

Using small plots of farm land to support a herd of high producing cattle was discussed as another strategy. With the onset of the embryo transplant technology, rapid expansion of crossbred cattle population has become easy. Similarly, encouraging small farmers to undertake intensive cultivation of high value products - as in the case of Mauryas of Uttar Pradesh who have specialised in vegetable cultivation - could be a third strategy for making unviable farms viable. One of the participants mentioned the trend in Andhra Pradesh, Haryana and the Punjab for the farmers to convert paddy farms into fish ponds with remarkable increase in income. Similarly, eucalyptus farming by small farmers in Nasik with adequate institutional support for marketing and input supply has also resulted in major
increases in small incomes holder. Some participants quoted the Uttar Pradesh experiment to give wastelands to poor people as another possible strategy. In this case, the Government also provided the beneficiary families access to land reclamation technology with heavy subsidies. This helped these families to move towards viability. Watershed planning and management could also help the transition of unviable farming units to viability provided there is adequate technical and organisational support. Several participants made the point that organisational support for marketing of produce could be of paramount importance in improving the viability of small holders.

In general, thus, the strategies identified fell in three broad categories: (a) those which sought to replace the present use of land primarily as crop land to an altogether different pattern of use involving either high value products or high yield products or both; (b) those resulting in improvement in the quality of land and other basic resources; and (c) those aimed at creating strong organisational support for marketing and for the supply of technical inputs.

6. Issues on Co-operative Societies

The discussion on co-operative societies began with a presentation based on the keynote paper. Several issues were raised. It was argued that the performance of any given co-operative society could be linked to success or failure in any or all of the five important sub-systems of any co-operative organisation; governance sub-system, management sub-system, patronage sub-system, linkages and the competitive environment.

Four case studies, from among the 13 covered by the Rapporteur's Report, were presented in some detail. There was much discussion on the 'Bhatti Weavers' Co-operative, Shiroli Bhadruk Co-operative and Gambhira Joint Farming Co-operative. The importance of good leadership was highlighted in all the three case studies. In the case of the Bhatti Co-operative, the question of optimum use of the marketing capability developed by the co-operative was discussed. The author of the study explained the internal dynamics of the co-operative in terms of the interaction among social, political and economic variables. In the Shiroli Bhadruk Co-operative, the author highlighted the success of the administrative model tried out by Bank of India. Under this model, the Bank provides the Managing Director of the co-operative along with financial, technical and other support. This seems to have worked not only in the co-operative studied but several other co-operatives which have been established under this scheme in western Maharashtra.

There was some question about the learning value of this administrative model. It was pointed out that if the main achievement of the model was to bring several institutions, including banks, together to achieve success, this idea was tried before in Integrated Rural Development Programme and several other programmes. Even so, to the extent that Bank of India had acted as a green house for nurturing young co-operatives and their leaders, it was considered to be a useful experiment.

7. Government and Co-operatives

It was also suggested that a regular system of monitoring and evaluation of the performance of co-operatives could help in improving the working of co-operatives. There were several points of disagreement. Who should undertake such monitoring and evaluation? How would the result of such evaluation be useful to co-operatives? It was pointed out that the government control on the co-operatives has been so great that the co-operatives became
mere organs of government and could no longer operate as independent people's organisations. The co-operatives in Maharashtra have been, for example, completely dominated by politicians. Government machinery was frequently used to topple elected Boards of co-operatives. There was general agreement on the undesirability of so much government control over the co-operatives. However, it was also pointed out that the government control could be eliminated only if the co-operatives stopped depending on the government for financial support. In general, it was suggested that the government should reduce its financial support to as well as control on co-operatives.

8. Leadership in Co-operatives

The issue of leadership remained unresolved. Some participants doubted if leadership could be built by outside professionals as signified by the Shirol Co-operative experiment. It was pointed out that often we came to know about successful leaders only after they had already become successful; therefore, it was not easy to understand the process by which successful leaders could be built. There was also a viewpoint that external agents could create an environment in which native leadership potential from within the community could be harnessed and developed. In support of this point, an example was cited about a primary agricultural co-operative society in Gujarat.

Since it would be difficult to multiply high quality leadership at the village level, it was suggested that we should focus our attention on internal organisational mechanisms which can reduce the dependence of a co-operative on outstanding leadership for good performance. It was pointed out that Secretaries of societies who were paid staff of the co-operatives could often be developed to take over some of the functions of elected leadership. It was also suggested that other organisational mechanisms could and need to be devised which can improve the chances of success of a co-operative with a modest leadership input. While this may not resolve all the problems of co-operatives, it may certainly help to increase the population of healthy village co-operatives in the country.